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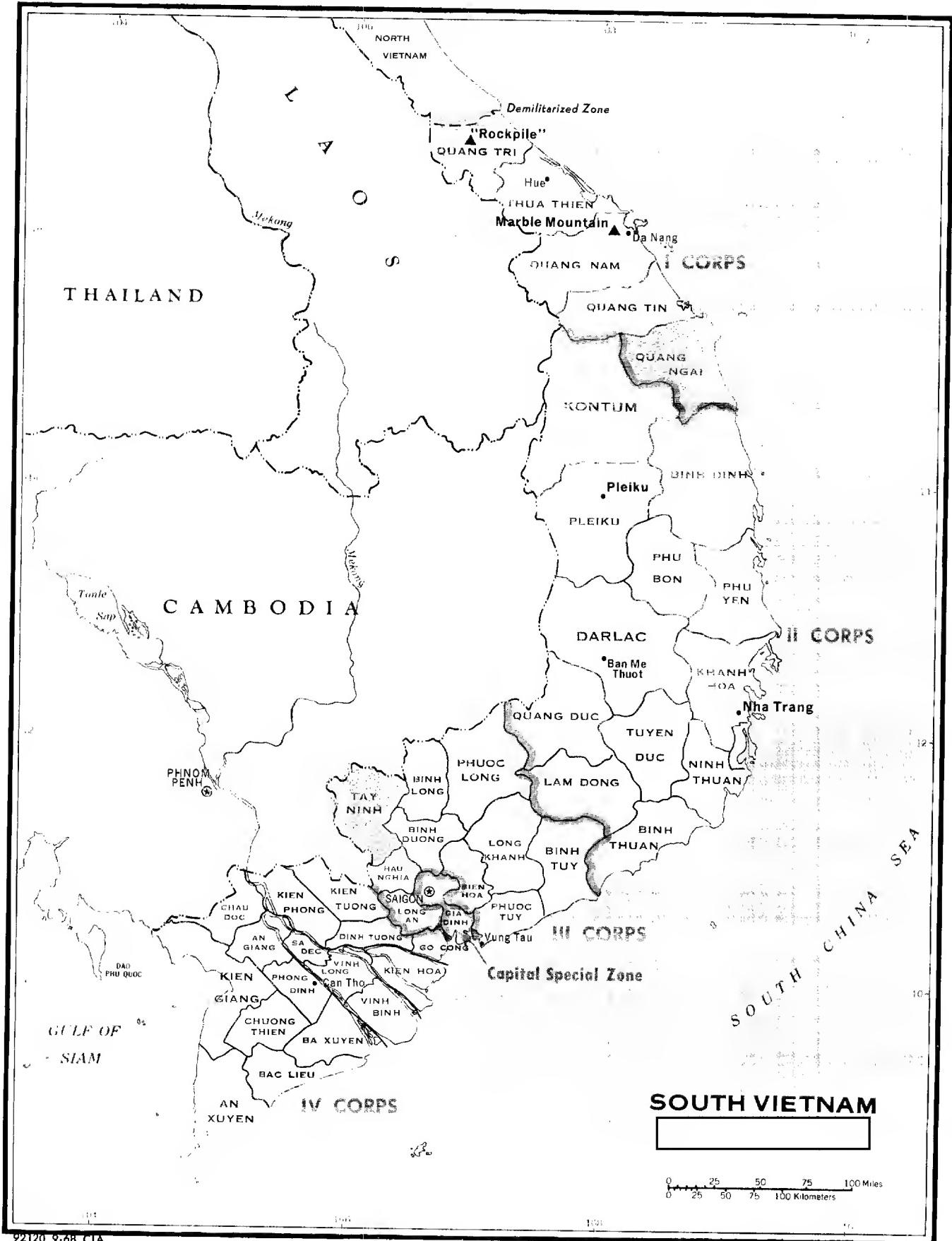
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[ South Vietnam: The Communists hit a number of allied posts with mortar and rocket fire on 21-22 September.

Most of the attacks occurred in southern I Corps. The shellings were generally light, with the heaviest damage inflicted on the Marble Mountain airbase near Da Nang, where 45 US helicopters were damaged. Air-fields at Pleiku city and Nha Trang were also hit by shells which damaged some aircraft.

The largest ground action over the weekend occurred in Tay Ninh Province where defenders of a Regional Forces outpost along the Cambodian border, reinforced by a South Vietnamese Marine battalion, repelled an assault by a battalion of the Viet Cong 272nd Regiment. The Communists lost 150 men killed and some 51 weapons captured during the attack.

US Marines sweeping the Demilitarized Zone near the "Rockpile" continue to uncover extensive North Vietnamese munitions caches. Two more caches were seized on 20-21 September. Over 33 tons of enemy weapons and munitions had been captured in the same area on 18 and 19 September.

In Quang Ngai Province, a Communist unit of unknown size penetrated a prisoner of war camp under cover of a 100-round mortar attack on a nearby district town. Ten of the prisoners were shot by the Communists when they refused to leave the compound.

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Czechoslovakia-USSR: Prague may be trying to play down Premier Cernik's statement concerning the disposition of foreign troops now in Czechoslovakia.

Cernik, speaking in Ostrava on 21 September, said that troops would begin a gradual withdrawal from Czechoslovakia within a few days, but added that "certain contingents" would remain in the country. Cernik was the first Czechoslovak official to admit publicly that troops will stay.

Cernik's remarks were summarized by Czechoslovak radio stations and several newspapers in Prague, but were not reported in the authoritative Rude Pravo, the main party daily. Rude Pravo's failure to publish Cernik's statements suggests that the regime may have considered his remarks untimely, possibly because it believes the Czechoslovak populace is not yet prepared to receive the news that troops will remain on a long-term basis.

The regime may also have thought that Cernik's remarks concerning the withdrawal of troops was too optimistic. The Soviet party paper Pravda yesterday again warned Prague that a "number of serious problems" will have to be solved before "normalization" is achieved. In a series of articles criticizing Czechoslovak developments, Pravda rebuked the Czechoslovak party for not checking those attacking its ideological foundations, criticized its press organs and those of the trade union, and attacked a regional party organization for its "nationalistic," anti-Soviet statements.

This Soviet broadside, doubtless prompted in part by the fact that the Czechoslovak press continues to publish scarcely veiled criticisms of Moscow, may also have been designed as a rebuttal of Cernik's remarks in Ostrava. Cernik defended the news media and stated that Prague does not wish to and "will not punish anyone for his political views." In a

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probable effort to preclude charges that Dubcek was becoming involved in a "cult of the personality," Cernik said that Dubcek himself was against being "celebrated so much," and stated that the party as a whole must enjoy the confidence of the people in order to preserve its authority.

No major change in the disposition of Warsaw Pact forces in Czechoslovakia was detected over the weekend. [redacted]

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Mexico: The deepening student crisis has been marked by increasing violence.

A policeman was killed and at least two others were reported shot the night of 21 September during a five-hour battle in downtown Mexico City--the worst disorder since student disturbances began on 26 July. More than 1,400 persons are being detained by the authorities. Thousands of students have been barricaded in the national polytechnic institute and other schools since the army occupied the national university last week. The press reports that three students were kidnaped by unknown persons who also sprayed schools with machine gun fire.

Intellectuals, academicians, the Communist Party, and the legal opposition parties have attacked the government take-over of the university.

The student movement is spreading to other areas of the country. Riot police reportedly have seized the university in Jalapa, Veracruz, and the secretary of defense has warned that the army will take over any school serving as headquarters for disorder during the Olympic period. Students plan marches in Monterrey, Puebla, and Merida.

Mexican security forces are fully capable of meeting the student disturbances successfully, but there is no sign that the students will be quieted before the Olympics begin on 12 October. Communist student leaders have declared that whatever the government does, new leaders will rise to put forward student demands.

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Uruguay: Serious and widespread disorders remain a strong possibility during the next few weeks.

The fatal shooting of two students by police during the riots of 20 September was the most violent act in the series of student demonstrations that began in June. The students are protesting the government's economic austerity program and the continuing state of siege. Increasingly provocative attacks on police by the students have led the police to respond with more and more forceful repressive measures. [Yesterday President Pacheco ordered all universities and high schools in Montevideo closed until 15 October for "reasons of public order." ]

Military forces, which have had little riot control training, may be required to aid police if, as the government expects, the violence of demonstrations escalates because of the death of the student "martyrs." One result of a general decline in social order would be to weaken further Pacheco's tenuous influence over congress. He would then become even more inclined to rule by decree. [REDACTED]

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Honduras: Government efforts to break the general strike that began on 19 September have achieved some results, but they have also increased the possibility of violence.

Official pressure has reopened some business establishments, but arrests--including that of a key labor leader--and minor incidents involving the military have created a tense situation. Influential Minister of the Presidency Ricardo Zuniga, who is apparently calling the shots for the government, seems determined to end the strike and teach labor a lesson before opening any dialogue with union leaders. The government may feel that the strike, which is illegal under the labor code, presents an opportunity to undercut the growing influence of the labor camp. A labor bulletin issued on 20 September, which contained a thinly veiled call to the army to act independently of the government, probably hardened the administration's attitude.

Security forces in Tegucigalpa have been strengthened in anticipation of today's return of university students from vacation. There is no indication that the army is wavering in its support of the Lopez government. [redacted]

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Argentina: A nucleus of some 12 important labor unions is trying to supplant the leadership of the two present rival factions of the General Confederation of Labor (CGT) by creating a new organization.

The would-be leaders of the new organization are pitching their request for support by labor unions on the charge that infighting among the present leadership and its overinvolvement in non - trade union matters have destroyed labor solidarity.

Both factions of the CGT have been essentially political, thus earning the disfavor of the government. The new organization, according to its representatives, would devote its efforts toward unifying the labor movement and would concentrate on labor's problems. The representatives claim that no person will be allowed to use the new grouping for political purposes.

Although the leaders of the new organization deny having been in touch with the administration, they say they believe they can "make peace" with President Onganía. Without government support, they will fail. With government support, however, the new grouping could become a labor movement able to participate responsibly in Argentina's future political, social, and economic life. President Onganía has often indicated he hopes for such a development.

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Italy: Giovanni Leone, who heads what is essentially a caretaker regime, has put together an ambitious program in preparation for this week's parliamentary opening.

Parliamentary committees are discussing such controversial subjects as the handling of a military intelligence scandal that involves leading political figures and amnesty for student demonstrators. They are also working on an economic expansion bill, university reform, and a new pension law.

The bill to encourage economic expansion provides for railroad modernization and a subway building program for the larger cities. It also would provide a fund to improve industrial productivity and credit for low-cost housing. In addition, it calls for the strengthening of certain programs in the south and for the reorganization of the textile industry.

The leading Italian newspaper, La Stampa, believes chances that the government will receive a no-confidence vote will be greatest during parliamentary debate of the intelligence scandal and the economic expansion program.

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Malaysia: Kuala Lumpur's efforts to weaken opposition elements in the East Malaysian state of Sarawak are meeting with increased success.

The Sarawak National Party, a large opposition group which favors greater autonomy for Sarawak, was dealt a serious blow recently by the defection of its principal financial supporter, who reportedly will be paid off by being appointed Malaysian high commissioner to Singapore.

In 1966, the National Party bolted the ruling Alliance coalition after Kuala Lumpur engineered the removal of the chief minister of the Sarawak state government. This arbitrary action stimulated "states' rights" sentiment and even induced some mutterings of secession. Since then, however, Malaysia's leaders and their Alliance followers in Sarawak have attempted to mend fences by political payoffs, rural development projects, and other demonstrations of interest.

The weakening of the Sarawak National Party has been paralleled by growing disarray within the leftist and Chinese-dominated Sarawak United Peoples Party, another major opposition party. Early this month three prominent figures in this party were arrested as Communist adherents.

Growing disorder within the opposition places the Sarawak Alliance in a strong position to sweep federal and state elections scheduled for next year.

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NOTE

World Communist Conference: Representatives of Communist parties are reported gathering in Budapest to prepare for the World Communist Conference still scheduled to open in Moscow on 25 November. At the Budapest meeting, the third session of the conference's preparatory commission, there probably will be a discussion of whether, in view of the Soviet occupation of Czechoslovakia, the conference should be canceled, or at least postponed. The USSR, however, is unlikely at this time either to relax the firm pressure it has been employing to line up support for the November conference or to adopt a more conciliatory approach toward its critics.

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